

FISCAL NOTE

HB 2212 - SB 2227

February 2, 1998

SUMMARY OF BILL: Amends TCA 49-3-351(d) to conform with TCA 49-3-354 which sets out the formula by which *growth money* is distributed to local education agencies so that only those systems that experience an overall growth of more than 2% will share in the pool of funds set aside to fund extraordinary growth, and only to the extent that the growth exceeds 2%.

The increased amount so calculated will be distributed to the extent funds are appropriated for that specific purpose. If the funds appropriated are insufficient to provide for the LEA's increased allocations, the Commissioner of Education will apply a pro rata reduction to the increased amount each LEA is otherwise eligible to receive.

ESTIMATED FISCAL IMPACT:

State Expenditures - Cost Avoidance \$10,600,000

The bill will bring TCA 49-3-351 in line with TCA 49-3-354 and in conformity with current allocation practice with regard to *growth funds*.

For informational purposes, in absence of the bill, it is estimated there will be a redistribution of growth funds among local education agencies of approximately \$7.2 Million.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director